LISTING APPLICATION TO
NEW YORK STOCK EXCHANGE, INC.

B-3835-D
January 30, 1974

ANHEUSER-BUSCH, INCORPORATED

$100,000,000 PRINCIPAL AMOUNT

7.95% SINKING FUND DEBENTURES, DUE FEBRUARY 1, 1999

Underwritten Public Offering

DESCRIPTION OF TRANSACTION

Anheuser-Busch, Incorporated (the "Company") offered for sale $100,000,000 principal amount of 7.95% Sinking Fund Debentures, due February 1, 1999 (the "Debentures"). Reference is made to the Prospectus dated January 29, 1974 relating to the Debentures which is incorporated herein by reference and made a part hereof.

The Debentures are being issued under an Indenture (the "Indenture") dated as of February 1, 1974 between the Company and Morgan Guaranty Trust Company of New York, Trustee. Principal and interest on the Debentures will be payable at the corporate trust office of the Trustee in New York, New York and the Debentures may be transferred or exchanged, without service charge, at such office. However, unless other arrangements are made, interest will (subject to certain exceptions) be paid to the persons in whose names the Debentures are registered at the close of business on the fifteenth of the calendar month preceding each semi-annual interest payment date and will be paid by checks mailed to the registered addresses of such persons. The debentures will be issuable only in registered form without coupons in denominations of $1,000 and multiples thereof.

RECENT DEVELOPMENTS

Since the latest annual report of the Company there have been no important developments affecting the Company or its business which have not received publicity.

AUTHORITY FOR ISSUANCE

The issuance of the Debentures, upon the terms and conditions and for the purposes set forth in the Prospectus, was authorized by resolutions adopted by the Board of Directors of the Company on December 21, 1973, and by resolutions adopted by the Board of Directors on January 23, 1974, and by the Executive Committee of the Board of Directors on January 28, 1974. No further corporate authority is required.

OPINION OF COUNSEL

Stolar, Heitzmann & Eder, counsel for the Company, has filed an opinion with the New York Stock Exchange, Inc. to the effect that the Debentures have been duly and validly authorized, and, when duly executed and authenticated in accordance with the terms of the Indenture and issued and sold in accordance with the terms of the Underwriting Agreement between the Company and the several Underwriters, will constitute valid and binding obligations of the Company in accordance with their terms, and that the Debentures to be sold under Delayed Delivery Contracts have been duly and validly authorized and, when executed, issued and sold by the Company in accordance with the terms of such Contracts and the Indenture, will constitute valid and binding obligations of the Company in accordance with their terms.

A Registration Statement on Form S-9 (File No. 2-50052) with respect to the Debentures, filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, has become effective and the Indenture under which the Debentures are being issued has been qualified under the Trust Indenture Act of 1939.

Application has been made on Form 8-A for registration of the Debentures on the New York Stock Exchange, Inc. under the Securities Exchange Act of 1934.

ANHEUSER-BUSCH, INCORPORATED

By JERRY E. RITTER
Vice President

The New York Stock Exchange, Inc. hereby authorizes the listing of $100,000,000 principal amount of 7.95% Sinking Fund Debentures due February 1, 1999 of Anheuser-Busch, Incorporated, upon official notice of issuance, sale and evidence of satisfactory distribution pursuant to an underwritten public offering.

MERLE S. WICK, *Vice President*
Division of Stock List

JAMES J. NEEDHAM, *Chairman of the Board*
New York Stock Exchange, Inc.

$100,000,000

Anheuser-Busch, Incorporated

7.95% Sinking Fund Debentures, due February 1, 1999

The Debentures will be redeemable, at the option of the Company, as set forth herein, except that no such optional redemption may be effected prior to February 1, 1984 directly or indirectly from or in anticipation of moneys borrowed at an interest cost of less than 7.95% per annum.

Annual sinking fund payments of $6,500,000 are to be applied to the redemption of Debentures on each February 1, 1985 to 1998, inclusive, the Company reserving the right to deliver Debentures in lieu of cash. The Company has the non-cumulative right to increase the sinking fund payment in any year by an amount not exceeding $6,500,000. The sinking fund is calculated to retire at least 91% of the issue prior to maturity.

Application will be made to list the Debentures on the New York Stock Exchange.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Commissions(2)	Proceeds to Company(1)(3)
Per Unit	100%	.875%	99.125%
Total	$100,000,000	$875,000	$99,125,000

(1) Plus accrued interest, if any, from February 7, 1974 to date of delivery.

(2) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting" herein.

(3) Before deduction of expenses payable by the Company estimated at $166,000.

The Debentures are being offered by the Underwriters as set forth under "Underwriting" herein. In addition, Debentures are being offered to certain institutions by the Company through the Underwriters pursuant to Delayed Delivery Contracts with the Company. See "Delayed Delivery Arrangements" herein. It is expected that the delivery of the Debentures offered by the Underwriters will be made at the office of Dillon, Read & Co. Inc., New York, N. Y. on or about February 7, 1974 against payment therefor in New York funds. The Underwriters include:

Dillon, Read & Co. Inc.

The date of this Prospectus is January 29, 1974.

REGISTRATION STATEMENT

Anheuser-Busch, Incorporated (herein sometimes called the Company) has filed with the Securities and Exchange Commission, Washington, D. C., a registration statement on Form S-9 (herein called the Registration Statement) under the Securities Act of 1933 with respect to the $100,000,000 7.95% Sinking Fund Debentures, due February 1, 1999 offered hereby (herein called the Debentures). For further information reference is made to such Registration Statement, including the exhibits thereto.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE DEBENTURES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

The business of the Company, founded in 1852, was conducted by a partnership until 1875 when it was incorporated as E. Anheuser Co.'s Brewing Association. The corporate name was changed to Anheuser-Busch Brewing Association in 1879. In 1919 the name Anheuser-Busch, Incorporated was adopted, and this name was retained when the Company was reincorporated in 1925 under the laws of the State of Missouri. The Company's principal executive offices are located at 721 Pestalozzi Street, St. Louis, Missouri 63118 (telephone number 314 - 577-0577).

The Company's principal product is beer, produced and distributed in a variety of containers under the brand names Budweiser, Michelob and Busch. Since 1957 the Company has led the United States brewing industry in total sales volume, its sales in 1973 having exceeded those of its nearest competitor by approximately 8,500,000 barrels and having constituted approximately 21% of industry sales volume. The Company has nine breweries in operation at the present time, located in St. Louis, Newark, Los Angeles, Tampa, Houston, Columbus (Ohio), Jacksonville (Florida), Merrimack (New Hampshire) and Williamsburg (Virginia). Construction is underway to expand the annual shipping capacity of the Company's Jacksonville brewery with completion scheduled during 1974 (see "Plants and Properties") and a new brewery, scheduled for completion in 1976, is to be constructed in Solano County (near Fairfield), California, with an annual shipping capacity, subject to necessary governmental approval, in excess of 3,500,000 barrels. Sales of beer by the Company aggregated approximately 29,887,000 barrels* in 1973, as compared with approximately 26,522,000 barrels in 1972.

In addition to beer, the Company produces and sells bakers yeast and corn products, sells other bakery products and is active in the family entertainment field through the operation of Busch Gardens. Since 1970 the Company, through a wholly owned subsidiary, Busch Properties, Inc., has been engaged in the business of real estate development. Through other subsidiaries, the Company has interests in can manufacturing, organized professional baseball and transportation service activities. See "Business."

Beer sales during the first nine months of 1973 accounted for approximately 91% of the Company's consolidated net sales and a slightly higher percentage of consolidated net income.

USE OF PROCEEDS

The net proceeds from the sale of the Debentures offered hereby, estimated to be approximately \$98,959,000 after deducting expenses, will be used to finance the Company's capital expenditures program. It is anticipated that such capital expenditures for 1973 will approximate \$95,000,000 (which includes approximately \$65,723,000 expended through September 30), as compared to approximately \$84,000,000 in 1972 (see "Plants and Properties – Investment in Physical Properties"), and that the Company's capital expenditures for the three years ending December 31, 1976 will approximate \$600,000,000 in the aggregate. Of such anticipated expenditures, approximately 89% is planned for use in the beer and beer-related businesses. In addition to the net proceeds from the sale of the Debentures, funds required for such capital expenditures will be obtained from internal sources, bank loans or through the sale of additional securities.

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*As used herein "barrels" refers to 31 U.S. gallon barrels.

CAPITALIZATION

The capitalization of the Company as of September 30, 1973, and as adjusted to give effect to the sale of the Debentures is set forth below:

	Outstanding	Adjusted
	(In thousands of dollars)	
LONG-TERM DEBT: (1)		
7.95% Sinking Fund Debentures, due February 1, 1999	$ —	$100,000
4¾% Notes due June 1, 1975	200	200
3⅜% Debentures, due October 1, 1977	1,499	1,499
4½% Debentures, due March 1, 1989	21,008	21,008
5.45% Debentures, due March 1, 1991	28,430	28,430
6% Debentures, due July 1, 1992	42,349	42,349
Total long-term debt	93,486	193,486
SHAREHOLDERS EQUITY:		
Common stock, $1 par value, authorized 60,000,000 shares; issued 45,602,949	45,603	45,603
Capital in excess of par value	57,781	57,781
Retained Earnings	396,586	396,586
Less cost of 540,388 shares of treasury stock	(3,212)	(3,212)
Total shareholders equity	496,758	496,758
Total capitalization	$590,244	$690,244

NOTES:

(1) Reference is made to the Consolidated Balance Sheet and Note 3 of Notes to Consolidated Financial Statements with respect to sinking fund obligations.

(2) Obligations under long-term leases and guarantees are considered to be not material.

CONSOLIDATED STATEMENT OF INCOME

The following statement, insofar as it relates to the five years ended December 31, 1972, has been examined by Price Waterhouse & Co., independent accountants, whose report thereon appears elsewhere in this Prospectus. In the opinion of the Company, all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods have been included. The statement should be read in conjunction with the financial statements and notes thereto included elsewhere in this Prospectus. Numerical note references are to Notes to Consolidated Financial Statements.

	Year Ended December 31,					(Unaudited) Nine Months Ended September 30,	
	1968	1969	1970	1971	1972	1972(A)	1973(A)
	(In thousands of dollars)						
Sales	$852,605	$871,904	$1,036,272	$1,173,476	$1,273,093	$972,330	$1,058,207
Less federal and state beer taxes	199,898	205,295	243,495	271,023	295,593	225,838	244,900
Net sales	652,707	666,609	792,777	902,453	977,500	746,492	813,307
Costs and expenses:							
Cost of products sold	477,184	490,932	579,372	658,886	724,718	547,019	626,201
Marketing, administrative and general expenses	82,472	84,113	92,660	108,087	108,008	81,208	84,278
	559,656	575,045	672,032	766,973	832,726	628,227	710,479
	93,051	91,564	120,745	135,480	144,774	118,265	102,828
Other income and expenses:							
Interest income	3,760	3,604	3,715	3,102	3,299	2,225	3,212
Interest expense	(7,664)	(7,401)	(7,104)	(6,597)	(6,041)	(4,598)	(3,992)
Purchase discounts, other income and expenses, net	3,515	5,171	3,420	4,065	4,855	3,649	4,495
Income before income taxes and extraordinary item	92,662	92,938	120,776	136,050	146,887	119,541	106,543
Provision for income taxes (B)							
Current	42,103	40,777	53,179	56,870	62,305	54,041	45,752
Deferred	5,925	6,850	5,048	7,542	8,182	4,295	5,818
	48,028	47,627	58,227	64,412	70,487	58,336	51,570
Income before extraordinary item	44,634	45,311	62,549	71,638	76,400	61,205	54,973
Extraordinary item – loss on discontinued Houston Busch Gardens operation, net of income tax benefit of $4,006,000 (Note 7)	–	–	–	–	(4,093)	–	–
Net income	$ 44,634	$ 45,311	$ 62,549	$ 71,638	$ 72,307	$ 61,205	$ 54,973
Per share of common stock: (C)							
Income before extraordinary item	$1.00	$1.02	$1.40	$1.60	$1.70	$1.36	$1.22
Extraordinary item	–	–	–	–	(.09)	–	–
Net income	$1.00	$1.02	$1.40	$1.60	$1.61	$1.36	$1.22
Cash dividends per share	$ .36	$ .40	$ .425	$ .53	$ .58	$ .42	$ .45
Average number of shares outstanding(C)	44,456,662	44,615,572	44,686,062	44,887,354	45,019,846	44,981,960	45,060,392
Ratio of earnings to fixed charges (D)	10.39	10.55	13.66	16.01	18.62	19.94	18.92

NOTES:

(A) The valuation of inventories on the LIFO method for the interim periods included herein are based on estimated year end inventory quantities and prices. The estimated adjustment to reflect the LIFO inventory valuation method at September 30, 1973 had the effect of increasing cost of products sold for the nine months ended September 30, 1973 by $6,000,000 over that which would have been re-

ported had the average cost method been used. The estimated adjustment for the nine months ended September 30, 1972 was not material. See Notes 1 and 2 to Consolidated Financial Statements.

(B) The provision for income taxes (before extraordinary item in 1972) includes the following:

	Year Ended December 31,					(Unaudited) Nine Months Ended September 30,	
	1968	1969	1970	1971	1972	1972	1973
			(In thousands of dollars)				
Current tax provision:							
Federal	$40,227	$38,797	$50,856	$53,289	$57,547	$50,777	$42,437
Other	1,876	1,980	2,323	3,581	4,758	3,264	3,315
	42,103	40,777	53,179	56,870	62,305	54,041	45,752
Deferred tax provision:							
Federal	3,818	4,876	3,860	6,470	7,516	4,860	5,600
Other	140	187	202	359	572	314	412
	3,958	5,063	4,062	6,829	8,088	5,174	6,012
Deferred investment tax credit:							
Reduction in current taxes payable	3,293	3,279	2,541	2,377	1,869	446	1,192
Less amortization of deferred investment tax credit	1,326	1,492	1,555	1,664	1,775	1,325	1,386
	1,967	1,787	986	713	94	(879)	(194)
Total	$48,028	$47,627	$58,227	$64,412	$70,487	$58,336	$51,570

The $70,487,000 provision for income taxes in 1972 is before giving effect to the income tax reduction of $4,006,000 (current: $3,085,000 Federal, $186,000 other; Deferred: $694,000 Federal, $41,000 other) resulting from the loss on the discontinued Houston Busch Gardens operation.

(C) Per share amounts have been adjusted for the two-for-one stock split, in the form of a stock dividend, which became effective April 8, 1971 and the two-for-one stock split in 1968.

(D) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings before extraordinary item, provision for income taxes and fixed charges and after the elimination of undistributed earnings of unconsolidated subsidiaries. "Fixed charges" consists of interest on indebtedness, amortization of debt expense and premium, and one-third of all rents shown in Note 9 to the Consolidated Financial Statements.

The pro forma ratios of earnings to fixed charges for the year ended December 31, 1972 and the nine months ended September 30, 1973, after giving effect to the issuance and sale of the Debentures offered hereby, would be 9.52 and 9.41, respectively. Initial annual interest on the Debentures will be $7,950,000.

The 1969 sales and earnings were adversely affected by a six week work stoppage at all the Company's breweries. See "Business – Employee Relations." The unaudited amounts of net sales, net income, and net income per share of common stock for the three-month period ended September 30, 1973 were $291,932,000, $17,877,000, and $.40, respectively, as compared with $265,381,000, $23,187,000, and $.52, respectively, for the three-month period ended September 30, 1972. The Company's net income from beer operations during the nine months ended September 30, 1973 and particularly during the third quarter has been adversely affected by substantial increases in the cost of agricultural products (principally barley, rice and malt) and higher costs of packaging materials. Furthermore, labor settlements concluded in the second quarter of 1973 have resulted in increased labor costs. Restrictions under the Economic Stabilization Program, in conjunction with competitive pricing pressures, have constrained the Company's ability to effect price increases to meaningfully offset cost increases. See "Business – Economic Controls and Raw and Packaging Materials." The adverse effect of these factors on net income is continuing.

Beer sales volume increased 12.7% for 1973 as compared with 1972 and 25.5% for the fourth quarter of 1973 as compared with the fourth quarter of 1972. The Company estimates, based on preliminary fi-

nancial information, that the adverse effect of the factors mentioned in the preceding paragraph, particularly the cost of agricultural products, will have a greater impact on net income for the three-month period ended December 31, 1973 as compared with the comparable period of 1972, than that reflected for the three-month period ended September 30, 1973 as compared with the comparable period of 1972. A substantial portion of the estimated decline in net income for the year 1973 as compared with 1972, and for the three-month period ended December 31, 1973 as compared with the comparable period of 1972, is the result of using the LIFO method of inventory valuation as compared with what the decline would have been had the Company used the average cost method of valuing inventories in such periods. (See Note (A) to the Consolidated Statement of Income).

BUSINESS

Beer

Brands. The Company's beer products, Budweiser, Michelob and Busch, are produced and sold in both draught and packaged form. Budweiser and Michelob are produced in all of the Company's breweries and distributed and sold on a nationwide basis. Busch is produced in all of the Company's breweries except Newark, Merrimack and Williamsburg, and is distributed and sold in 25 states and the District of Columbia.

Brewing Process. The principal raw materials used in the brewing operations are hops, rice, corn grits and malt. Strict quality controls over both the raw materials and the brewing process are maintained by the Company in the production of its beers. Imported hops currently supply about 70% of the hop requirements of the Company, with domestic hops supplying the balance. Imported hops are used exclusively in the brewing of Michelob, to a large extent in Budweiser and to a lesser extent in Busch. In the brewing of Michelob and Budweiser, the Company's premium beers, rice is used to the exclusion of the more commonly used corn grits or corn syrup, while in the brewing of Busch corn grits are used. Approximately 25% of the Company's present malt requirements are being produced at its malting plant in Manitowoc, Wisconsin. In July, 1973, the Company closed its St. Louis malting plant. That facility, which formerly produced approximately 9% of the Company's annual malt requirements, had become inefficient and too costly to operate.

The natural carbonation of Budweiser and Michelob is accomplished by the Kraeusen process, which involves the addition of a small amount of beer from the early stages of fermentation to the fermented beer at the beginning of the lager or aging period. Beechwood chips, a highly effective agent for attaining natural clarification and flavor perfection while the beer is in the lager cellars, are utilized by the Company for all three of its beers. The natural carbonation of Busch is attained by the pumping of wort to the chip tank while it still contains enough fermentable extract to produce the required carbonation level.

Presently, the Company is intensifying its efforts to increase production at all of its existing breweries. The expansion and conversion of tankage to expand beechwood chip aging capacity, which is in its final stages of testing, if implemented, is expected to increase the Company's total shipping capacity of its existing breweries in 1975 by as much as 3,000,000 barrels annually.

Beer Can Manufacturing. In 1966 the Company, in combination with Libby, McNeil & Libby, formed a jointly owned corporation, Lianco Container Corporation, which manufactures beer cans for purchase by the Company in quantities sufficient to meet a substantial part of the requirements of the St. Louis brewery. These cans are purchased by the Company at prices and under terms and conditions competitive with those offered by the can manufacturing industry. Although the Company's ownership interest in Lianco Container Corporation is 60%, the Company and Libby, McNeil & Libby, pursuant to their agreement, each elect 50% of the Board of Directors.

In September, 1973, Metal Container Corporation, a wholly owned subsidiary, began construction of a new can manufacturing plant at Jacksonville, Florida. This facility, which will supply approximately 50% of the expanded Jacksonville brewery's annual can requirements, will reach full production in 1975.

Distribution. During the year 1972, approximately 92% of the beer sold by the Company measured in barrels, reached retail channels through approximately 970 independent wholesaler distributing points. The Company employs regional, divisional and district managers and merchandising specialists to supplement the wholesalers' sales forces and provides national media advertising, point-of-sale advertising and sales promotion programs to help stimulate sales. The remainder of the Company's beer sales is made through thirteen branches (wholesale outlets) owned and operated by the Company, which perform sales, merchandising and delivery services as wholesalers in their respective areas.

Beer sales by the Company in 1972 measured in barrels, were approximately 88% packaged and 12% draught. The Company's profit margin per barrel is substantially higher for packaged beer than for draught.

Brewing Industry Regulation. The Federal Government has established regulations governing operations of breweries which deal with arrangement of plant facilities, trade practices, advertising and related matters. A brewer must pay a nominal Federal occupational tax, and must file bonds with the Treasury Department, the amount thereof being determined on the basis of removals, to insure compliance with Federal regulations and payment of Federal excise taxes. The Company is also required to obtain state licenses, permits and other approvals in most states in which it operates and into which it ships beer, and to file bonds to insure compliance with state laws and regulations and payment of state taxes. Such state laws and regulations are, in general, similar in nature to the Federal regulations. As a manufacturer of products classified as food products, the Company is also subject to the Federal Food, Drug and Cosmetic Act and regulations thereunder.

Since 1951, the Federal excise tax on beer has been $9.00 per barrel. It is levied against the brewer based on removals from bonded brewery premises. There are also state excise taxes in all states where the Company operates or where its beers are sold. Rates range from $.62 per barrel in Wyoming to $23.81 per barrel in South Carolina. In some states the excise tax is levied against the brewer; in others, against the wholesaler. Federal and state excise taxes do not apply to beer exported from the United States.

Two states, Oregon and Vermont, and a small number of towns and municipalities, have adopted certain laws and regulations placing either absolute prohibitions or restrictions on the sale of beer in certain containers. Generally, both such prohibitions and restrictions deal with nonreturnable containers and such restrictions, for the most part, require mandatory deposits on all containers. The Company continues to do business in these states, towns and municipalities and neither such prohibitions nor restrictions have had a significant effect on the Company's business.

Competition. The beer industry is highly competitive. The Company's beers are sold in competition with other nationally distributed beers, with locally and regionally distributed beers and to a minor extent with imported beers. The Company's beers compete in different price markets. Although all brands compete against the total market, Budweiser primarily competes with premium priced beers, Michelob primarily competes with super premium priced beers, and Busch with popular priced beers.

The expansion of the brewing industry in the United States and the position of the Company within the industry during the past ten years are shown below:

Calendar Year	Beer Sales (Measured in Barrels) Industry Tax Paid Only*	Company Tax Paid Only	Company Total Including Export**	Company as % of Industry-Tax Paid Only
1963	93,789,942	9,256,107	9,397,224	9.87
1964	98,643,841	10,223,826	10,369,830	10.36
1965	100,411,085	11,636,687	11,841,325	11.59
1966	104,262,499	13,250,737	13,575,485	12.71
1967	106,974,397	15,160,629	15,535,390	14.17
1968	111,415,698	17,820,718	18,392,848	15.99
1969	116,271,397	18,110,959	18,712,432	15.58†
1970	121,859,334	21,610,214	22,201,811	17.73
1971	127,397,269	23,875,167	24,308,794	18.74
1972	131,811,756	26,227,666	26,521,872	19.90
9 months ending 9/30/72	102,018,271	19,981,009	20,215,814	19.59
9 months ending 9/30/73	106,108,857	21,704,537	21,975,885	20.45

*The data given with respect to the brewing industry represents tax paid withdrawals of malt beverages as reported by the Internal Revenue Service.

**Approximately 90% of export sales by the Company consists of sales to the Armed Forces for overseas personnel.

†The 1969 sales were adversely affected by a six week work stoppage at all the Company's breweries. See "Business — Employee Relations."

Bakery Products

Yeast. The Company has been producing and selling bakers yeast since 1926. Bakers yeast is now produced at plants in St. Louis, Missouri and Old Bridge, New Jersey and is sold under the trade name Budweiser Yeast. A new bakers yeast plant is currently under construction in Bakersfield, California, with completion scheduled for the summer of 1974 (see "Plants and Properties"). The Company believes that it is the second largest producer of bakers yeast in the United States, with approximately a 34% market share. The Company's market for bakers yeast is that portion of the United States lying east of the Rocky Mountains. Distribution is through approximately 50 Company owned branches and numerous independent distributors.

Other Bakery Products. The Company's line of products sold to bakeries includes frozen and dried eggs, liquid sweeteners, mold inhibitors and other products used in the production of bakery goods.

Corn Products

The Company has been producing and selling corn products since 1923. Corn products, which include dry starches, dextrines, gums and corn syrups, are produced at the Company's plant in Lafayette, Indiana and are marketed under brand names and sold in bulk directly to users. The Company believes that it is the tenth largest refiner of corn products in the United States, with approximately a 3% market share.

Busch Gardens

The Company is actively engaged in the family entertainment industry through its Busch Gardens operations adjacent to its breweries in Tampa, Florida and Los Angeles, California. During 1970 and 1971 general admission charges were instituted at each location. Busch Gardens, Tampa was opened to the public in 1959. It now covers approximately 260 acres and drew approximately 2,175,000 visitors during 1973. Busch Gardens, Los Angeles, now comprising approximately 45 acres, was opened to the public in 1965 and drew approximately 1,435,000 visitors during 1973. Both Busch Gardens are presently being expanded to provide additional attractions for the public in 1974.

A third Busch Gardens, presently under construction and scheduled for completion in 1975, will be located on approximately 365 acres of land adjacent to the Company's Williamsburg brewery.

Sales Promotion Attractions

The Company operates admission-free entertainment attractions at St. Louis, Houston and Merrimack for the purpose of promoting the sales of its beer. The attractions at Houston and Merrimack adjoin the Company's breweries and are operated in conjunction with the brewery tours. The Merrimack attraction, opened to the public in July of 1973, drew 146,000 visitors during 1973. The Houston attraction drew 337,000 visitors during 1973. The St. Louis attraction is located at Grant's Farm in St. Louis County on a tract of approximately 215 acres, which tract, together with certain improvements thereon, is leased by the Company for this purpose. Grant's Farm drew approximately 448,000 visitors during 1973.

Real Estate Development

In 1970, the Company incorporated Busch Properties, Inc., a wholly owned subsidiary, to engage in real estate development activities, including the development of land for commercial, industrial, recreational and residential purposes. It is presently developing "Kingsmill on the James," a 3,200 acre planned community near Williamsburg, Virginia. Home sites at "Kingsmill on the James" are being offered for sale and a variety of multi-family dwellings is expected to be available for occupancy in the spring of 1974. An 18-hole championship golf course is also under construction.

In Columbus, Ohio, Busch Properties, Inc. is proceeding with the development of an industrial-commercial center on a 155 acre tract located near the Company's brewery in that city. The first project, two multi-tenant warehouse buildings and an office building, is now completed and fully leased. Eight new buildings are under construction, two by Busch Properties, Inc. and six by other companies. Four buildings have been completed by other companies.

Other Operations

Transportation Services. Manufacturers Railway Company, a wholly owned subsidiary of the Company, is a terminal railway operating in the St. Louis area. Approximately 75% of its terminal railway business at St. Louis is from services which it renders in connection with the Company's operations. Through its wholly owned subsidiaries, Manufacturers Railway Company also furnishes truck cartage services and warehouse services in connection with the operation of the Company's breweries at St. Louis, Houston, Columbus, Jacksonville, Merrimack and Williamsburg.

Saint Louis Refrigerator Car Company, a wholly owned subsidiary of the Company, is in the business of (a) reconstruction and repair of railroad cars and (b) ownership, maintenance and operation of insulated railroad cars used to carry beer for the Company.

Aerosol Can Manufacturing. In April, 1972, the Company acquired the stock of Apache Container Corporation of St. Paul, Minn., for approximately $6,500,000. Apache Container Corporation was organized in 1969 and is currently selling seamless aerosol cans which it manufactures by the drawn and ironed process.

Baseball. The Company owns 99.7% of the stock of the St. Louis National Baseball Club, Inc. (the Cardinals). As part of its advertising program the Company sponsors or co-sponsors televised broadcasts of certain games, and radio broadcasts of all games played by the Cardinals.

Employee Relations

As of December 31, 1972, the Company had approximately 3,500 salaried employees and approximately 7,500 hourly-rated employees. Approximately 7,600 employees are members of labor unions with which the Company has a total of 75 contracts.

During the year 1973, 55 labor agreements were negotiated, which will expire in 1976, covering an aggregate of approximately 6,850 employees. Twenty labor agreements covering an aggregate of approximately 750 employees will expire in 1974 and 1975.

The Company believes that, in general, satisfactory relations have been maintained with its employees. However, in the last five years the Company has experienced work stoppages as follows: 1968 – 9 days at the St. Louis brewery; 1969 – approximately six weeks at all of the Company's breweries and the Chicago branch, and 19 days at the Washington, D.C. branch; 1970 – 2 days at the Columbus brewery and 6 days at the Los Angeles brewery; 1971 – 2 days at the Los Angeles brewery, 5 days at the Company's Boston area branch and one-half shift at the Jacksonville brewery; 1972 – 8 days at the Columbus brewery and 4 days at the St. Louis brewery; 1973 – 10 days at the St. Louis brewery and 2 days at the Columbus brewery.

Raw and Packaging Materials

All of the products manufactured by the Company require a large volume of various agricultural products including barley, hops, malt, rice and corn grits for the Brewing Division and corn and molasses for the Industrial Products Division. The Company also uses very large quantities of various packaging materials, such as cans, bottles, paper cartons, and crowns. The Company meets its commodities requirements by purchases from various sources through contractual arrangements and by purchases on the open market. Packaging materials are also purchased from numerous suppliers under various supply contract arrangements and on the open market.

The Company believes that at the present time adequate supplies of both the aforementioned agricultural materials and packaging materials are available, but cannot predict future availability nor prices of such materials. In recent months the world commodity markets have experienced frequent and volatile price changes which have significantly increased the cost of agricultural materials to the Company. In addition, the cost of imported hops has increased because the value of the United States

dollar has decreased over the past year in relation to other world currencies. Costs to the Company of packaging items have also increased in recent months.

Economic Controls

During the various stages of the controls program prior to Phase III, which commenced in January, 1973, the Company was precluded from increasing any of its prices either because of the operation of certain profit margin restrictions or because of the imposition of general price freezes. Since the imposition of price controls in August, 1971, the Company has incurred substantial cost increases in materials used in its production process. The Company is currently subject to Phase IV of the Economic Stabilization Program which, for the most part, imposes controls similar to those of previous phases and which, in conjunction with competitive pricing pressures, continues to adversely affect the Company's earnings. Generally, under Phase IV the Company may increase its prices only to reflect on a dollar for dollar basis increases experienced in allowable costs and in such event only if certain revenue or profit margin tests are met. Moreover, price increases for beer products are subject to prior approval by the Cost of Living Council.

Protection of the Environment

All of the Company's plants are subject to federal, state, and local pollution control regulations. In all locations the Company is operating within existing regulations or has taken positive action to assure compliance. All new facilities are designed to commence operations in compliance with regulatory standards. Compliance with pollution control regulations is expected to result in substantial capital and operating expenditures.

In 1973, more than $5,000,000 was spent on environmental control facilities, primarily in the areas of water and air pollution control. In the years 1974 and 1975 the capital expenditures for pollution control are expected to reach in excess of $8,500,000 and $13,000,000 respectively. Operating costs related to environmental protection are also expected to escalate due to increasing costs for waste treatment services provided by local governments and more stringent regulatory requirements.

In the interest of reducing both capital and operating cost outlays for pollution control, the Company has increased expenditures in the areas of engineering and research with the objective of improving process efficiencies, creating saleable by-products from wastes, and generally reducing the quantities of materials discharged into the environment.

Fuel Supply

The supply of fuel is a potential problem for the Company's operations. Eight of the Company's breweries can operate on either gas or oil, the St. Louis brewery on gas, oil or, to a major extent, on coal, and one brewery (Jacksonville, before and after expansion) on oil only. The Company has contractual arrangements, most of which expire at various times during 1974, for all of its present fuel requirements. Although renewal of contractual arrangements are contingent upon the availability of fuel and applicable regulations, the Company expects to be able to enter into contracts for its entire 1974 fuel requirements.

Although the cost of fuel used by the Company increased during 1973, such cost increases have not had a material adverse effect upon the Company's earnings. It is expected that fuel costs to the Company will increase during 1974; however, the Company cannot predict the extent of such increases.

Since the new mandatory fuel allocation program went into effect on December 27, 1973, the cutback in energy to the Company has not had an adverse effect upon its production, sales or earnings. Based upon information presently available to it, the Company cannot predict whether the supply of fuel or the allocation of such supply will have a material adverse effect upon its production, sales or earnings. There can be no assurance, however, that adequate supplies of fuel will be available to the Company and should such supplies not be available the Company's sales and earnings would be adversely affected.

PLANTS AND PROPERTIES

Investment in Physical Properties

The following table shows property additions and retirements of the Company and its consolidated subsidiaries for the five years ended December 31, 1972 and for 1973 (through September 30):

	Property additions	Property retirements	Net Property additions
1968	$76,457,000	$16,050,000	$60,407,000
1969	66,396,000	2,543,000	63,853,000
1970	65,069,000	8,023,000	57,046,000
1971	73,214,000	6,366,000	66,848,000
1972	84,217,000	10,780,000	73,437,000
1973 (through Sept. 30)	65,723,000	6,374,000	59,349,000
Totals	$431,076,000	$50,136,000	$380,940,000

Plant Properties

Information as to the location, product, start date and capacity of each of the Company's manufacturing plant facilities is set out below:

Location	Principal Product	In Operation Since	1974 Approximate Annual Shipping Capacity
St. Louis, Mo.	Beer	(1)	10,100,000 bbls.
Newark, N. J.	Beer	1951	4,400,000 bbls.
Los Angeles, Calif.	Beer	1954	2,900,000 bbls.
Tampa, Fla.	Beer	1959	1,400,000 bbls.
Houston, Texas	Beer	1966	2,200,000 bbls.
Columbus, Ohio	Beer	1968	5,000,000 bbls.
Jacksonville, Fla.	Beer	1969	3,800,000 bbls.(2)
Merrimack, N. H.	Beer	1970	2,000,000 bbls.
Williamsburg, Va.	Beer	1972	2,200,000 bbls.
Manitowoc, Wisc.	Malt	1962	7,200,000 bu.
St. Louis, Mo.	Yeast	1926	60,000,000 lbs.
Old Bridge, N. J.	Yeast	1931	65,000,000 lbs.
Bakersfield, Calif.	Yeast	(3)	(3)
Lafayette, Ind.	Corn Products	1967	(4)
St. Paul, Minn.	Aerosol Cans	1972(5)	(6)

NOTES:

(1) The Company's largest brewery is located in St. Louis, Missouri. The facilities were constructed at various times since 1890, but have been substantially modernized and expanded since 1946.

(2) Construction is underway to expand the annual shipping capacity of the Company's Jacksonville, Florida brewery to approximately 5,000,000 barrels, with completion scheduled during 1974.

(3) A new yeast plant located on a site acquired in April of 1973 is presently under construction. Upon completion in 1974, it will have an annual shipping capacity of approximately 15,000,000 pounds.

(4) Grind capacity approximately 30,000 bushels per day.

(5) Year of acquisition of Apache Container Corporation. See "Business – Other Operations – Aerosol Can Manufacturing."

(6) The Company is currently constructing a second aerosol can production line with completion scheduled for early 1974. Upon completion, this facility will have a total annual shipping capacity of approximately 160,000,000 cans.

For information concerning an additional brewery scheduled for completion in 1976, see "The Company".

CERTAIN LEGAL PROCEEDINGS

Reference is made to Note 8 (Commitments and Contingencies) to Consolidated Financial Statements herein for a description of legal proceedings to which the Company was a party at December 31, 1972. Since that date the following additional developments have occurred:

On February 7, 1973, John Epps, individually and on behalf of all members of a class of beer distributors similarly situated, filed suit against the Company, six other brewers and six beer distributors in the United States District Court for the Eastern District of Pennsylvania, alleging violations of the Sherman, Clayton and Robinson-Patman Acts, laws of the Commonwealth of Pennsylvania and the common law with respect to the sale and distribution of beer in the Commonwealth of Pennsylvania. On October 31, 1973, the U.S. District Court granted plaintiffs' motion for voluntary dismissal without prejudice. Plaintiffs have indicated that a new antitrust class action will be subsequently filed; however, the Company does not know whether it will be named as a party defendant in any such action.

On or about May 21, 1973 the parties to the Beverage Distributors case as reported in the above-mentioned Note 8, entered into a settlement agreement and a stipulation and order of dismissal with prejudice was ordered by the U. S. District Court for the Northern District of California on May 31, 1973.

On or about November 27, 1973, the Company entered into a settlement agreement with Rheingold Breweries, Inc. in the case reported in the above mentioned Note 8 and an order of dismissal with prejudice was ordered by the Court on December 13, 1973.

The basis of the settlements in both the Beverage Distributors and the Rheingold Breweries, Inc., cases was the payment by the Company of monetary amounts, the aggregate of which, in the opinion of the Company, did not materially affect its earnings.

The Company is a defendant in certain other lawsuits the ultimate outcome of which cannot be determined at this time. In the opinion of management, the Company's liability, if any, under any pending litigation would not materially affect its financial condition.

MANAGEMENT

The names of the directors and executive officers of the Company are as follows:

Name	Office
August A. Busch, Jr.*	Chairman of the Board, Chief Executive Officer and Director
R. A. Meyer*	President and Director
August A. Busch III*	Executive Vice President, General Manager and Director
David R. Calhoun, Jr.*	Director. Chairman of the Board, St. Louis Union Trust Company
M. R. Chambers	Director. Chairman of the Board and Chief Executive Officer, Interco Incorporated
A. von Gontard*	Director. Vice Chairman of the Board, and Consultant to the Company
John F. Krey II	Director. Chairman of the Board and President, Krey Packing Company
J. W. McAfee*	Director. Chairman of the Board, Union Electric Company
James B. Orthwein	Director. President and Co-Chief Executive Officer, D'Arcy-MacManus & Masius, Inc.
Frederic M. Peirce	Director. Chairman of the Board, General American Life Insurance Company
W. R. Persons	Director. Chairman of the Board, Emerson Electric Co.
Walter C. Reisinger	Vice President and Director
Frank H. Schwaiger	Director. Retired Senior Vice President – Brewing and Consultant to the Company
Ethan A. H. Shepley*	Director. Of Counsel to Bryan, Cave, McPheeters & McRoberts
John L. Wilson*	Director. Personal Investments
Henry N. McCluney	Vice President
Frank J. Sellinger	Vice President
Orion P. Burkhardt	Vice President
Dennis P. Long	Vice President
Jerry E. Ritter	Vice President and Controller
Andrew J. Steinhubl	Vice President
Melvin H. Fritz	Vice President
Fred L. Kuhlmann	Vice President
William G. Porter	Vice President
Thomas R. Scanlan, Jr.	Vice President
John L. Hayward	Secretary and Treasurer

*Member of Executive Committee.

Each of the executive officers of the Company has been actively engaged in the business of the Company during the past five years.

As of December 31, 1973 no person in any single capacity owned of record, or owned the full beneficial interest in, 10% or more of the shares of common stock of the Company. Mr. August A. Busch, Jr. on said date owned of record and beneficially 271,639 shares. In addition to voting such shares, he had, in various fiduciary capacities, the right, alone or in conjunction with co-fiduciaries, to direct the voting of 6,195,008 shares. (Included in the shares held by such fiduciaries were 1,159,663 shares in which Mr. Busch had an interest as beneficiary.) Hence, the total number of shares in respect of which Mr. Busch had voting power was 6,466,647 shares, or approximately 14% of the outstanding shares.

DESCRIPTION OF DEBENTURES

The Debentures are to be issued under an Indenture (herein called the Indenture) to be dated as of February 1, 1974 between the Company and Morgan Guaranty Trust Company of New York, as Trustee (herein called the Trustee). The Debentures are to bear interest at the rate per annum set forth on the cover page hereof, payable on August 1 and February 1. The interest so payable will, subject to certain exceptions, be paid to the persons in whose names the Debentures are registered at the close of business on the fifteenth day of the calendar month preceding the payment date.

Debentures will be delivered in the form of registered debentures without coupons, in denominations of $1,000 and any multiple of $1,000. Debentures, in the several denominations, will be interchangeable, at any time, without any service or other charge therefor by the Company.

The following are brief statements concerning certain terms and provisions contained in the Indenture. They do not purport to be complete and reference is made to the Indenture (a copy of which is an exhibit to the Registration Statement and certain sections of which are referred to herein) for a full and complete statement of such terms and provisions. Certain terms defined in the Indenture are capitalized below and used with the meanings given them in the Indenture.

The Debentures are to be direct and unconditional obligations of the Company, but are not to be secured by any lien, except under circumstances stated below under "Creation of Secured Indebtedness." The Debentures will rank equally with the Company's 3⅜% Debentures, due October 1, 1977, its 4½% Debentures, due March 1, 1989, its 5.45% Debentures, due March 1, 1991, and its 6% Debentures, due July 1, 1992.

Optional Redemption

The Debentures will be redeemable at the option of the Company, at any time prior to maturity, as a whole or in part, on not less than 30 days' nor more than 60 days' notice given as provided in the Indenture, during the twelve months periods commencing February 1 in the years set forth below, upon the payment of the applicable percentage of the principal amount thereof set forth below, together in each case with accrued interest to the redemption date:

1974	107.95%	1983	104.97%	1991	102.32%
1975	107.62	1984	104.64	1992	101.99
1976	107.29	1985	104.31	1993	101.66
1977	106.96	1986	103.98	1994	101.33
1978	106.63	1987	103.64	1995	100.99
1979	106.29	1988	103.31	1996	100.66
1980	105.96	1989	102.98	1997	100.33
1981	105.63	1990	102.65	1998	100.00
1982	105.30				

provided, however, that prior to February 1, 1984, the Company may not effect any optional redemption of the Debentures directly or indirectly from the proceeds, or in anticipation, of the issuance of any indebtedness for money borrowed or from the proceeds of any sale and leaseback transactions having an interest cost of less than 7.95% per annum. (Sections 3.01 and 3.02). Such prohibition will not apply to redemptions through operation of the sinking fund.

Sinking Fund

The Company will on February 1, 1985, and on each February 1 thereafter, to and including February 1, 1998, redeem through the Sinking Fund $6,500,000 principal amount of Debentures. The Company, at its election, may redeem through the Sinking Fund, on any Sinking Fund date, an additional principal amount of Debentures up to $6,500,000. The elective right to redeem such additional principal amount of Debentures, if not exercised, does not accumulate. For the purpose of the Sinking Fund, Debentures will be redeemable on not less than 30 days' nor more than 60 days' notice at 100% of their principal amount, together with accrued interest to the redemption date.

The Company may credit, in respect of Debentures redeemed through the Sinking Fund on any Sinking Fund date, the principal amount of any Debentures deposited with the Trustee for the purpose and also the principal amount of (a) any Debentures theretofore redeemed by the Company (otherwise than through the Sinking Fund), (b) any Debentures theretofore redeemed by the Company at its election through the Sinking Fund and (c) any Debentures previously purchased by the Company and cancelled by the Trustee, and in each case not theretofore applied as a credit on any Sinking Fund redemption or used as a credit in reduction of the Company's obligation to retire Debentures pursuant to the sale and lease back provision referred to below. (Section 3.03)

Creation of Secured Indebtedness

Neither the Company nor any Subsidiary may create, assume or guarantee any indebtedness for borrowed money secured by pledge of, or mortgage or lien on, any of its property (other than (a) purchase money liens, (b) liens existing at the time of acquisition of property, and (c) extensions, renewals or replacements thereof) without effectively providing that the Debentures (together with, if the Company shall so determine, any other indebtedness of the Company then existing or thereafter created ranking equally with the Debentures and any other indebtedness of such Subsidiary then existing or thereafter created) shall be secured by the security for such secured indebtedness equally and ratably therewith.

If the Company or any Subsidiary shall merge or consolidate with, or sell all or substantially all of its assets to, or purchase all or substantially all of the assets of, another corporation, and if such other corporation has outstanding obligations secured by a mortgage or other lien which would extend to any of the property owned by the Company or such Subsidiary immediately prior thereto, the Company or such Subsidiary, as the case may be, shall in such event be deemed to have created a mortgage or lien, within the prohibition of the covenant referred to above, unless prior thereto the Company or such Subsidiary shall have created, as security for the Debentures (and, if the Company shall so determine, as security for any other indebtedness of the Company then existing or thereafter created ranking equally with the Debentures and any other indebtedness of such Subsidiary then existing or thereafter created), a valid lien which will rank prior to the lien of such mortgage or other lien of such other corporation, on all property owned by the Company or such Subsidiary, as the case may be. (Section 2.04)

In each instance referred to in the two immediately preceding paragraphs where the Company is obligated to provide security for the Debentures, the provisions of the Indenture dated October 1, 1952 under which the Company issued its 1977 Debentures, of the Indenture dated March 1, 1964 under which it issued its 1989 Debentures, of the Indenture dated March 1, 1966 under which it issued its 1991 Debentures, and of the Indenture dated July 1, 1967 under which it issued its 1992 Debentures would require the Company also to provide comparable security for the 1977 Debentures, the 1989 Debentures, the 1991 Debentures and the 1992 Debentures.

Dispositions of Property

Nothing in the Indenture shall prevent the Company from disposing of any part of its property or assets. The Company, however, will covenant that if it should convey to a Subsidiary all or any substantial portion of any Principal Plant (i.e. any brewery, or manufacturing, processing or packaging plant which is of material importance to the Company's business) or if the Company should convey to a Subsidiary at any one time or from time to time a portion or portions of any Principal Plant, which portion or portions have a net book value in excess of $10,000,000, the Subsidiary to which such conveyance is made shall first assume by an instrument of assumption the payment of principal of and interest on the Debentures in accordance with the terms thereof. (Section 2.04)

Neither the Company nor any Subsidiary may enter into any sale and leaseback transaction involving any Principal Plant, other than a sale by a Subsidiary to the Company, unless the Company purchases and retires a principal amount of Debentures, or repays other funded debt of the Company or makes expenditures for the construction or acquisition of a Principal Plant, equal to the proceeds received by the Company or such Subsidiary upon such sale; provided that the Company may use as a credit against such obligation the principal amount of any Debentures deposited with the Trustee for such purpose and the principal amount of any other Debentures at the time available for use by the Company as credits against Sinking Fund redemptions as described in the second paragraph under "Sinking Fund." (Section 2.05)

Modification of the Indenture

The Company and the Trustee will be permitted, with the consent of the holders of not less than 66⅔% in principal amount of the Debentures at the time outstanding, to execute supplemental indentures modifying the Indenture or any supplemental indenture or the rights of the holders of the Debentures; provided that no such modification shall (i) extend the fixed maturity of any Debentures, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce the premium payable upon redemption thereof, without the consent of the holder of each Debenture affected by such modification or (ii) reduce the aforesaid percentage of Debentures, the consent of the holders of which is required for any such modification, without the consent of the holders of all Debentures then outstanding. (Section 11.09)

LEGAL OPINIONS

The legality of the Debentures will be passed upon for the Company by Stolar, Heitzmann & Eder, 515 Olive Street, St. Louis, Missouri, and certain legal matters with respect to the Debentures will be passed upon for the Underwriters by Cahill Gordon & Reindel, 80 Pine Street, New York, New York, except that matters pertaining to the organization of the Company and other matters governed by Missouri law will be passed upon only by Stolar, Heitzmann & Eder.

As of December 31, 1973, members of Stolar, Heitzmann & Eder owned 1,124 shares of Common Stock of the Company of record and beneficially of which Alfred O. Heitzmann owned 308 shares, Ray Eder owned 400 shares (excluding 1,988 shares owned by a trust of which he is a co-trustee but in which neither he nor members of his family have a beneficial interest), Charles H. Perkins owned 396 shares and Philip E. Draheim owned 20 shares (excluding 24 shares owned by members of his family).

EXPERTS

The consolidated financial statements included in this Prospectus, except as they relate to the unaudited nine-month periods ended September 30, 1972 and 1973, have been so included in reliance on the report of Price Waterhouse & Co., independent accountants, and on their authority as experts in auditing and accounting.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Anheuser-Busch, Incorporated

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of changes in shareholders equity and changes in financial position, together with the consolidated statement of income appearing elsewhere in this Prospectus, present fairly the consolidated financial position of Anheuser-Busch, Incorporated and its subsidiaries at December 31, 1972 and the results of their operations and changes in financial position for the five years then ended, in conformity with generally accepted accounting principles consistently applied. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

St. Louis, Missouri
February 8, 1973

ANHEUSER-BUSCH, INCORPORATED

CONSOLIDATED BALANCE SHEET

ASSETS

	December 31, 1972	(Unaudited) September 30, 1973
	(In thousands of dollars)	
Current Assets:		
Cash (including certificates of deposit of $28,116,000 at December 31, 1972 and $55,583,000 at September 30, 1973)	$ 41,369	$ 61,891
Marketable securities (short-term), at cost which approximates market	27,448	9,524
Accounts and notes receivable, less allowance for doubtful accounts of $845,000 at December 31, 1972 and $919,000 at September 30, 1973	38,098	64,834
Inventories, at lower of cost or market (Note 2) –		
Finished goods	5,218	5,966
Work in process	16,878	19,052
Raw materials and supplies	36,966	33,141
Total current assets	165,977	194,408
Investments and Other Assets:		
Investments in and advances to unconsolidated subsidiaries (Note 1) –		
St. Louis National Baseball Club, Inc.	5,662	5,662
Other	15,489	18,546
Investment properties	8,639	8,641
Deferred charges and other non-current assets	10,722	15,041
	40,512	47,890
Plant and Equipment, at cost:		
Land	19,649	21,210
Buildings	285,068	286,869
Machinery and equipment	432,486	440,484
Construction in progress	65,591	113,716
Other real estate	2,571	2,435
	805,365	864,714
Less accumulated depreciation	313,694	338,790
	491,671	525,924
	$698,160	$768,222

See Notes to Consolidated Financial Statements.

ANHEUSER-BUSCH, INCORPORATED

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS EQUITY

	December 31, 1972	(Unaudited) September 30, 1973
	(In thousands of dollars)	
Current Liabilities:		
Accounts payable	$ 33,975	$ 44,124
Accrued salaries and wages	8,903	12,715
Accrued taxes, other than income taxes	24,712	36,460
Estimated federal and state income taxes	7,034	11,451
Other current liabilities	6,623	11,584
Total current liabilities	81,247	116,334
Long-Term Debt (Note 3):		
4¾% notes payable maturing 1974 and 1975	416	200
3⅜% debentures maturing 1974 to 1977, less $4,422,000 in treasury at December 31, 1972 and $2,956,000 at September 30, 1973	1,523	1,499
4½% debentures maturing 1974 to 1989, less $8,610,000 in treasury at December 31, 1972 and $7,592,000 at September 30, 1973	21,890	21,008
5.45% debentures maturing 1974 to 1991, less $7,700,000 in treasury at December 31, 1972 and $7,770,000 at September 30, 1973	30,700	28,430
6% debentures maturing 1975 to 1992, less $5,422,000 in treasury at December 31, 1972 and $7,651,000 at September 30, 1973	44,578	42,349
	99,107	93,486
Accumulated Deferred Income Taxes	41,456	47,468
Accumulated Deferred Investment Tax Credit Being Amortized	14,370	14,176
Shareholders Equity (Notes 4 and 5):		
Common stock, $1 par value, authorized 60,000,000 shares; issued 45,600,509 shares at December 31, 1972 and 45,602,949 at September 30, 1973	45,601	45,603
Capital in excess of par value (principally arising from stock dividends)	57,700	57,781
Retained earnings	361,891	396,586
	465,192	499,970
Less cost of 540,388 shares of treasury stock	3,212	3,212
	461,980	496,758
Commitments and Contingencies (Note 8)		
	$698,160	$768,222

See Notes to Consolidated Financial Statements.

ANHEUSER-BUSCH, INCORPORATED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

	Common Stock		Capital In Excess of Par Value	Retained Earnings	Total	Treasury Stock	Total Shareholders Equity
	Shares	Amount	(In thousands of dollars)				
Balance, January 1, 1968	11,210,439	$22,421	$67,853	$168,296	$258,570	$3,212	$255,358
2 for 1 stock split	11,210,439						
Stock options exercised	96,147	96	1,347		1,443		1,443
Net income				44,634	44,634		44,634
Cash dividends				(16,117)	(16,117)		(16,117)
Balance, December 31, 1968	22,517,025	22,517	69,200	196,813	288,530	3,212	285,318
Stock options exercised	82,719	83	1,252		1,335		1,335
Net income				45,311	45,311		45,311
Cash dividends				(17,843)	(17,843)		(17,843)
Balance, December 31, 1969	22,599,744	22,600	70,452	224,281	317,333	3,212	314,121
Stock options exercised	25,930	25	772		797		797
Net income				62,549	62,549		62,549
Cash dividends				(18,991)	(18,991)		(18,991)
Balance, December 31, 1970	22,625,674	22,625	71,224	267,839	361,688	3,212	358,476
2 for 1 stock split in form of a dividend	22,625,674	22,626	(22,626)				
Shares issued in real estate acquisition	78,000	78	3,803		3,881		3,881
Stock options exercised	187,036	187	3,576		3,763		3,763
Net income				71,638	71,638		71,638
Cash dividends				(23,784)	(23,784)		(23,784)
Balance, December 31, 1971	45,516,384	45,516	55,977	315,693	417,186	3,212	413,974
Stock options exercised	53,684	54	1,120		1,174		1,174
Net income				61,205	61,205		61,205
Cash dividends				(18,903)	(18,903)		(18,903)
Balance, September 30, 1972 (unaudited)	45,570,068	45,570	57,097	357,995	460,662	3,212	457,450
Stock options exercised	30,441	31	603		634		634
Net income				11,102	11,102		11,102
Cash dividends				(7,206)	(7,206)		(7,206)
Balance, December 31, 1972	45,600,509	45,601	57,700	361,891	465,192	3,212	461,980
Stock options exercised	2,440	2	81		83		83
Net income				54,973	54,973		54,973
Cash dividends				(20,278)	(20,278)		(20,278)
Balance, September 30, 1973 (unaudited)	45,602,949	$45,603	$57,781	$396,586	$499,970	$3,212	$496,758

See Notes to Consolidated Financial Statements.

ANHEUSER-BUSCH, INCORPORATED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended December 31,					(Unaudited) Nine Months Ended September 30,	
	1968	1969	1970	1971	1972	1972	1973
	(In thousands of dollars)						
Financial resources were provided by:							
Operations —							
Income before extraordinary item	$ 44,634	$ 45,311	$ 62,549	$ 71,638	$ 76,400	$ 61,205	$ 54,973
Charges (credits) to income not involving working capital							
Depreciation	27,578	30,063	33,795	34,948	38,970	28,875	30,398
Deferred income taxes	3,958	5,063	4,062	6,829	7,353	5,174	6,012
Deferred investment tax credit	1,967	1,787	986	713	94	(879)	(194)
Closing of St. Louis Corn Processing Plant	2,810						
Other, net	940	185	189	804	691	1,712	(374)
Working capital provided by operations	81,887	82,409	101,581	114,932	123,508	96,087	90,815
Working capital provided by extraordinary item — Tax benefit of $4,006,000 less estimated expenses of $1,112,000					2,894		
Sale of common stock under stock option plans	1,443	1,335	797	3,763	1,808	1,174	83
Fair market value of common stock issued in exchange for real estate				3,881			
	83,330	83,744	102,378	122,576	128,210	97,261	90,898
Financial resources were used for:							
Capital expenditures	76,457	66,396	65,069	73,214	84,217	59,485	65,723
Investments in land		4,589	8,348	2,208	146	189	17
Cash dividends paid	16,117	17,843	18,991	23,784	26,109	18,903	20,278
Reduction in long-term debt	5,178	7,795	6,845	11,509	17,464	7,719	5,621
Increased investment in unconsolidated subsidiaries, excluding transfers of land			857	4,536	1,218	808	3,057
Other, net			(1,212)	93	1,988	4,328	2,858
	97,752	96,623	98,898	115,344	131,142	91,432	97,554
Increase (decrease) in working capital	$(14,422)	$(12,879)	$ 3,480	$ 7,232	$ (2,932)	$ 5,829	$ (6,656)
Analysis of changes in working capital							
Increase (decrease) in current assets:							
Cash	$ (419)	$(23,193)	$ 25,633	$ 5,803	$ (97)	$ 8,765	$ 20,522
Marketable securities	4,255	(809)	(9,728)	2,333	14	1,334	(17,924)
Accounts and notes receivable	(2,585)	6,618	(8,082)	2,021	4,381	25,197	26,736
Inventories	6,850	(870)	8,989	(5,953)	(981)	(1,943)	(903)
	8,101	(18,254)	16,812	4,204	3,317	33,353	28,431
Decrease (increase) in current liabilities:							
Accounts payable	(1,322)	(3,177)	(5,754)	3,863	(4,831)	(2,326)	(10,149)
Accrued salaries and wages	(1,963)	1,715	(979)	(951)	(977)	(2,731)	(3,812)
Accrued taxes, other than income taxes	(1,853)	(1,237)	266	(9,603)	(1,133)	(9,966)	(11,748)
Estimated federal and state income taxes	(17,377)	9,044	(4,653)	7,293	2,326	(6,543)	(4,417)
Other current liabilities	(8)	(970)	(2,212)	2,426	(1,634)	(5,958)	(4,961)
	(22,523)	5,375	(13,332)	3,028	(6,249)	(27,524)	(35,087)
Increase (decrease) in working capital	$(14,422)	$(12,879)	$ 3,480	$ 7,232	$ (2,932)	$ 5,829	$ (6,656)

ANHEUSER-BUSCH, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Information pertaining to September 30, 1973 and the nine month periods ending September 30, 1973 and 1972 is unaudited

NOTE 1: ACCOUNTING PRINCIPLES AND POLICIES

This summary of accounting principles and policies of Anheuser-Busch, Inc., and its consolidated subsidiaries is presented to assist in evaluating the Company's financial statements. These principles and policies conform to generally accepted accounting principles and have been consistently followed by the Company in all material respects.

Principles of Consolidation

The consolidated financial statements include the Company and all its subsidiaries. St. Louis National Baseball Club, Inc., and certain other subsidiaries which are not an integral part of the Company's operations are included on an equity basis.

The Company's equity in the net assets of St. Louis National Baseball Club, Inc. at December 31, 1972 was $2,037,000 less than its investment therein. This results in part because usual accounting practices of baseball clubs involve immediate expensing of the cost of player contracts, and because of other intangible values not reflected in the accounts.

Sales and Accounts Receivable

Sales and income are recognized at the time the product is shipped and accounts receivable are recorded at that time.

Inventories and Production Costs

Inventories are valued at the lower of cost or market. Cost of raw materials and supplies is determined under the last-in, first-out and average cost methods. Cost of work in process and finished goods is based principally on standard costs, which approximate actual manufacturing and raw material cost, adjusted for last-in, first-out valuation of certain raw materials. Approximately one-half of total inventories (principally brewing raw materials) are valued under the last-in, first-out method.

Plant and Equipment

Plant and equipment is carried at cost and includes expenditures for new facilities and those which substantially increase the useful lives of existing plant and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any profit or loss on disposition is credited or charged to income.

The Company provides for depreciation of plant and equipment on methods and at rates designed to amortize the cost of such equipment over its useful life. Depreciation is computed principally on the sum-of-the-years digits method for property acquired after December 31, 1953, and on the straight-line method for property acquired prior to that date. The following is a summary of the depreciation rates used:

Buildings	2% - 10%
Machinery and equipment	3% - 10%
Furniture and fixtures	10% - 20%
Other real estate	2% - 20%

A portion of the land held by the Company is for investment purposes and is not an integral part of the Company's primary operations. This land has been classified in the balance sheet as investment properties.

Income Taxes

The provision for income taxes is based on elements of income and expense as reported in the Consolidated Statement of Income. The Company has elected to utilize certain provisions of federal income tax laws and regulations to reduce current taxes payable, the primary item being the calculation of depreciation for tax purposes on the basis of shorter lives permitted by the Treasury Department. The resulting tax benefit has been deferred and will be recognized in the provision for income taxes at such time as depreciation reported in the Consolidated Statement of Income exceeds that taken for income tax purposes.

The Company follows the practice of adding the investment tax credit to income over the productive lives of the assets generating such credit, rather than in the year in which the assets are placed in service. Accordingly, benefits realized from the investment tax credit have been deferred and will be recognized as reductions in the provisions for income taxes in the appropriate years.

Expenditures Which Provide Possible Future Benefits

Plant start-up, research and development, advertising and promotional costs are charged against earnings in the year in which such costs are incurred, since it is not practicable to determine the amount of, or duration of, future benefit.

Net Income Per Share of Common Stock

Net income per share of common stock is based on the average number of shares of common stock outstanding during the respective years, adjusted for stock splits and stock dividends. Shares issuable upon the exercise of stock options are excluded from the average number of shares for the computation of net income per share since their effect is not significant.

NOTE 2: INVENTORIES

Inventories used in determining the cost of products sold for the five years ended December 31, 1972 and the nine months ended September 30, 1972 and 1973 were as follows:

January 1, 1968	$51,027,000
December 31, 1968	57,877,000
December 31, 1969	57,007,000
December 31, 1970	65,996,000
December 31, 1971	60,043,000
December 31, 1972	59,062,000
September 30, 1972	58,100,000
September 30, 1973	58,159,000

Approximately 55% and 58% of total inventories at December 31, 1972 and September 30, 1973, respectively are stated on the last-in, first-out inventory valuation method. Had the average cost method been used with respect to such items at December 31, 1972 and September 30, 1973 total inventories would have been $6,858,000 and $12,858,000 higher, respectively.

NOTE 3: LONG-TERM DEBT

The aggregate annual sinking fund requirement amounts for the five year period subsequent to December 31, 1972 are as follows:

1973	$5,590,000
1974	5,590,000
1975	8,290,000
1976	8,290,000
1977	8,275,000

The requirement for the year 1973 was met in 1972 and the requirement for 1974 was met during the nine months ended September 30, 1973.

The 4¾% notes payable to banks mature in monthly instalments of $23,466 from January 1, 1973 with the final instalment due June 1, 1975.

NOTE 4: STOCK OPTIONS

Under a stock option plan adopted by the shareholders in 1955 (which has been terminated and under which no further options may be granted) all options granted to officers and key employees have been exercised. The option price was 95% of the fair market value of the shares at the date granted.

Under a stock option plan adopted by the shareholders in 1967, 1,817,951 shares of common stock were reserved at December 31, 1972 and 1,815,511 shares at September 30, 1973 for issuance to officers and key employees. Options granted under this plan expire in 1973, and the option price is 100% of fair market value of shares at date granted.

Options covering 12,913 shares and 10,473 shares at December 31, 1972 and September 30, 1973 respectively were outstanding and exercisable at $34.06 per share, all of which were granted under the 1967 plan. The total option price and fair market value at date of grant of the options outstanding at December 31, 1972 and September 30, 1973 were $440,000 and $357,000, respectively.

During the years ended December 31, 1969 through 1972 options covering 1,336, 4,004, 8,000 and 7,050 shares, respectively, were terminated. There were no terminations during 1968 or during the nine months ended September 30, 1973.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Further information with respect to options granted under the 1955 and 1967 plans is shown as follows:

Options Which Became Exercisable

Year Ended December 31	Number of Shares	Option Price Per Share	Option Price Total	Market Value at Date Options Became Exercisable Per Share	Market Value at Date Options Became Exercisable Total
1968	157,164	$ 6.03 to $20.38	$2,584,000	$28.75 to $33.63	$5,039,000
1969	119,354	20.38 to 34.06	2,564,000	35.25	4,207,000
1970	115,410	20.38 to 34.06	2,484,000	38.25 to 39.06	4,500,000
1971	9,672	34.06	329,000	53.50	517,000

All options granted under the 1955 and 1967 stock option plans became exercisable before 1972.

Options Exercised

Year Ended December 31	Number of Shares	Option Price Per Share	Option Price Total	Market Value at Date Options Were Exercised Per Share	Market Value at Date Options Were Exercised Total
1968	192,294	$ 6.03 to $20.38	$1,443,000	$20.87 to $33.50	$4,583,000
1969	165,438	6.03 to 20.38	1,334,000	30.44 to 36.25	5,550,000
1970	51,860	6.17 to 20.38	797,000	31.63 to 39.75	1,924,000
1971	187,036	6.17 to 34.06	3,763,000	37.19 to 55.75	8,650,000
1972	84,125	20.38 to 34.06	1,808,000	55.00 to 69.25	5,081,000
Nine Months ended September 30, 1973	2,440	34.06	83,000	42.50 to 51.25	119,000

All shares, prices and market values have been adjusted to reflect the 2 for 1 stock splits on April 24, 1968 and April 28, 1971.

When options are exercised, an amount equal to the par value of the stock is credited to the capital stock account and the remainder of the option price is credited to capital in excess of par value. No amounts are charged to income in connection with the option arrangements.

NOTE 5: RETAINED EARNINGS RESTRICTION

The indentures under which the Company's long-term debt is issued contain provisions which limit the amount of retained earnings available for cash dividends. Under the most restrictive of these provisions, retained earnings at December 31, 1972 were restricted to the extent of $57,272,000 against the payment of cash dividends. The restriction at September 30, 1973 amounted to $57,189,000.

NOTE 6: PENSION PLANS

The Company has several pension plans covering substantially all of its employees. The total pension expense was $7,782,000 in 1968, $7,923,000 in 1969, $9,399,000 in 1970, $11,861,000 in 1971 and $12,116,000 in 1972. The expense for the nine month periods ended September 30, 1972 and 1973 was $9,561,000 and $11,128,000, respectively. Salaried employees are covered under a trusteed pension plan with unfunded prior service cost amounting to $5,869,000 at December 31, 1972. Pension plans have been adopted for hourly paid employees under agreements with the unions representing such employees. Obligations for contributions under these plans are based on a defined contribution per employee in accordance with various labor agreements. The Company follows the policy of funding all pension costs accrued.

NOTE 7: EXTRAORDINARY ITEM

In December, 1972, the Company announced its decision to convert a portion of the Houston Busch Gardens to a sales promotion facility and to discontinue operation of the remainder of the Gardens facilities. The estimated cost of $4,093,000 (after reduction for income tax benefits of $4,006,000) includes the net book value of assets to be disposed of, plus provision for demolition costs and severance pay, less estimated salvage value.

NOTE 8: COMMITMENTS AND CONTINGENCIES

In connection with the plant expansion and improvement program, the Company had commitments for capital expenditures totaling about $75,000,000 at December 31, 1972 and about $93,000,000 at September 30, 1973.

Obligations under long-term leases and guarantees are considered to be not material.

In May, 1968, Beverage Distributors, Inc. (a former wholesaler of the Company whose relationship as a wholesaler had previously been terminated by the Company), filed suit against the Company alleging violations by the Company of the federal antitrust laws and seeking permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs and reasonable attorneys' fees. The case is still to be tried on the merits.

In July of 1971, Pearl Brewing Company and 7 of its distributors filed suit against the Company and Jos. Schlitz Brewing Company alleging violations by the Company of the federal antitrust laws and seeking temporary and permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs and reasonable attorneys' fees. On February 9, 1972, the U.S. District Court denied the plaintiffs' requests for a preliminary injunction and for a summary judgment. The case is still to be tried on the merits.

In April, 1972, Rheingold Breweries, Inc., filed suit against the Company and 7 of its metropolitan New York wholesalers alleging violations of the federal antitrust laws and seeking permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs and reasonable attorneys' fees. The case is still to be tried on the merits.

In June, 1972, Southtown Liquor, Inc., and Country Village Liquor, Inc., filed a civil class action suit against the Company alleging violations by the Company of the federal antitrust laws and cer-

tain Minnesota laws, and seeking permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs, reasonable attorneys' fees and the denial of the Company's right to continue to do business in the State of Minnesota. The case is still be be tried on the merits.

In July, 1972, the Village of Eden Valley, Minnesota, filed a civil class action suit against the Company alleging violations by the Company of the federal antitrust laws and certain Minnesota laws, and seeking permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs, reasonable attorneys' fees and the denial of the Company's right to continue to do business in the State of Minnesota. The case is still to be tried on the merits.

In October, 1972, Grain Belt Breweries, Inc., filed suit against the Company, Jos. Schlitz Brewing Company, one of the Company's wholesalers and two Jos. Schlitz wholesalers alleging violations by the defendants of the federal antitrust laws and seeking temporary and permanent injunctive relief, treble damages (which at this time are unspecified as to amount), costs and reasonable attorneys' fees. The case is still to be tried on the merits.

The Company denies the charges in all of the foregoing cases and is engaged in defending against them. The Company was defendant in certain other lawsuits on December 31, 1972, the ultimate outcome of which cannot be determined at this time. In the opinion of management, the Company's liability, if any, under any pending litigation would not materially affect its financial condition.

See "Certain Legal Proceedings" for additional legal developments since December 31, 1972.

NOTE 9: SUPPLEMENTARY INCOME STATEMENT INFORMATION

The following is a summary of maintenance and repairs, depreciation, taxes (other than income taxes and federal and state beer taxes), rents and advertising expense for the five years ended December 31, 1972 and the nine months ended September 30, 1972 and 1973:

	Year Ended December 31,					Nine Months Ended September 30,	
	1968	1969	1970	1971	1972	1972	1973
	(In thousands of dollars)						
Maintenance and repairs	$31,972	$33,620	$39,580	$44,982	$48,394	$35,931	$39,339
Depreciation	$27,578	$30,063	$33,795	$34,948	$38,970	$28,875	$30,398
Taxes:							
Payroll taxes	$ 4,141	$ 4,618	$ 4,870	$ 5,542	$ 6,493	$ 4,855	$ 5,990
Real and personal property	9,759	9,361	10,290	11,685	11,842	9,501	9,862
Franchise and other	1,540	1,570	1,270	1,812	2,456	1,641	1,737
	$15,440	$15,549	$16,430	$19,039	$20,791	$15,997	$17,589
Rents	$ 6,014	$ 6,190	$ 6,685	$ 6,844	$ 6,483	$ 4,922	$ 5,439
Advertising costs	$27,315	$27,586	$30,715	$36,958	$40,081	$30,120	$27,872

Amounts of research and development costs and royalties have been omitted, since such amounts do not exceed one percent of net sales in any period.

UNDERWRITING

The names of the Underwriters of the Debentures and the principal amount which each has severally agreed to purchase from the Company, subject to the terms and conditions specified in the Underwriting Agreement filed as an exhibit to the Registration Statement and to reduction for principal amounts of Debentures covered by Delayed Delivery Contracts referred to under the section Delayed Delivery Arrangements herein, are as follows:

Underwriters	Principal Amount of Debentures
Dillon, Read & Co. Inc.	$ 20,650,000
ABD Securities Corporation	900,000
Advest Co.	600,000
American Securities Corporation	600,000
Arnhold and S. Bleichroeder, Inc.	600,000
Bacon, Whipple & Co.	600,000
Robert W. Baird & Co. Incorporated	600,000
Baker, Watts & Co.	200,000
Basle Securities Corporation	900,000
William Blair & Company	600,000
Blunt Ellis & Simmons Incorporated	600,000
Blyth Eastman Dillon & Co. Incorporated	1,550,000
Boettcher & Company	300,000
Bosworth, Sullivan & Company, Inc.	200,000
J. C. Bradford & Co.	600,000
Alex. Brown & Sons	900,000
Butcher & Singer	600,000
Clark, Dodge & Co. Incorporated	900,000
Crowell, Weedon & Co.	300,000
Dain, Kalman & Quail, Incorporated	600,000
Dominick & Dominick, Incorporated	900,000
Dominion Securities Harris & Partners Inc.	300,000
Donaldson, Lufkin & Jenrette Securities Corporation	1,550,000
Drexel Burnham & Co. Incorporated	1,550,000
Edwards & Hanly	600,000
The First Boston Corporation	1,850,000
First Southwest Company	300,000
Robert Garrett & Sons, Inc.	300,000
J. A. Glynn & Co.	200,000
Goldman, Sachs & Co.	1,550,000
Hallgarten & Co.	900,000
Halsey, Stuart & Co. Inc.	1,550,000
Hayden Stone Inc.	900,000
J. J. B. Hilliard, W. L. Lyons, Inc.	300,000
Hornblower & Weeks-Hemphill, Noyes Incorporated	1,550,000
Howard, Weil, Labouisse, Friedrichs Incorporated	600,000
E. F. Hutton & Company Inc.	1,550,000
W. E. Hutton & Co.	900,000
The Illinois Company Incorporated	300,000
Interstate Securities Corporation	600,000
Janney Montgomery Scott Inc.	300,000
Johnston, Lemon & Co. Incorporated	600,000
Edward D. Jones & Co.	200,000
Kidder, Peabody & Co. Incorporated	1,550,000
Kirkpatrick, Pettis, Smith, Polian Inc.	200,000
Kleinwort, Benson Incorporated	900,000
Kuhn, Loeb & Co.	1,850,000
Lazard Freres & Co.	1,550,000
Legg Mason/Wood Walker — Div. of First Regional Securities, Inc.	$ 600,000
Lehman Brothers Incorporated	1,550,000
Loeb, Rhoades & Co.	1,550,000
Loewi & Co. Incorporated	600,000
McDonald & Company	600,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,550,000
The Milwaukee Company	300,000
Morgan Stanley & Co. Incorporated	1,850,000
F. S. Moseley, Estabrook Inc.	900,000
Newhard, Cook & Co. Incorporated	900,000
The Nikko Securities Co. International, Inc.	600,000
The Ohio Company	600,000
Paine, Webber, Jackson & Curtis Incorporated	1,550,000
The Pennsylvania Group Incorporated	300,000
Prescott, Ball & Turben	600,000
R. W. Pressprich & Co. Incorporated	900,000
Rauscher Pierce Securities Corporation	600,000
Reinholdt & Gardner	900,000
Reynolds Securities Inc.	1,550,000
The Robinson-Humphrey Company, Inc.	600,000
Roose, Wade & Company	300,000
Rotan Mosle Inc.	600,000
L. F. Rothschild & Co.	900,000
Salomon Brothers	1,550,000
Scherck, Stein & Franc, Inc.	600,000
Shields Securities Corporation	900,000
Shuman, Agnew & Co., Inc.	600,000
I. M. Simon & Co.	300,000
Smith, Barney & Co. Incorporated	1,550,000
Smith, Moore & Co.	200,000
SoGen-Swiss International Corporation	900,000
Stern Brothers & Co.	300,000
Stifel, Nicolaus & Company Incorporated	900,000
Stix & Co. Inc.	200,000
Stone & Webster Securities Corporation	1,550,000
Spencer Trask & Co. Incorporated	900,000
Tucker, Anthony & R. L. Day	900,000
UBS-DB Corporation	900,000
G. H. Walker, Laird Incorporated	900,000
Weeden & Co. Incorporated	900,000
Wertheim & Co., Inc.	1,550,000
Wheat, First Securities, Inc.	600,000
White, Weld & Co. Incorporated	1,550,000
Dean Witter & Co. Incorporated	1,550,000
William D. Witter, Inc.	600,000
Wood, Struthers & Winthrop Inc.	900,000
Yamaichi International (America), Inc.	600,000
Total	$100,000,000

Dillon, Read & Co. Inc. is the Managing Underwriter.

If any Debentures are purchased by the Underwriters, all Debentures not subject to Delayed Delivery Contracts will be so purchased. The Underwriting Agreement contains provisions whereby, if any Underwriter defaults in its obligation to purchase Debentures and if the aggregate obligations of all Underwriters so defaulting do not exceed $10,000,000 principal amount of Debentures, the remaining Underwriters, or some of them, must assume such obligations.

The Debentures are being initially offered severally by the Underwriters for sale at the price set forth on the cover page hereof, or at such price less a concession of .45% on sales to certain dealers. The Underwriters may allow and such dealers may reallow a concession of not exceeding .25% on sales to certain other dealers. The offering of Debentures is made for delivery when, as and if accepted by the Underwriters and subject to prior sale and to withdrawal, cancellation or modification of the offer without notice. The Underwriters reserve the right to reject any order for the purchase of Debentures.

The purchase of Debentures by the Underwriters, by any institution signing a Delayed Delivery Contract or by any other purchaser is not contingent upon the carrying out of any or all of the Delayed Delivery Contracts.

The Company has agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

DELAYED DELIVERY ARRANGEMENTS

The Company has authorized the Underwriters to solicit offers by certain institutions to purchase Debentures from the Company at the offering price set forth on the cover page hereof plus accrued interest from February 7, 1974, pursuant to Delayed Delivery Contracts providing for delayed delivery of such Debentures. The principal amount to be purchased by each such institution shall be at least $250,000 and the aggregate amount so purchased by all such institutions shall not exceed $40,000,000, or such greater amount as the Company shall approve in writing. Such Contracts, which are to be entered into on or prior to the delivery to the Underwriters of Debentures, are to be with institutions approved by the Company and will provide for payment and delivery on such dates (not later than July 15, 1974) as may be agreed.

Institutions with whom such Contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and such others as may be approved by the Company. To the extent that such Contracts are entered into, the Company will compensate the Underwriters therefor as set forth on the cover page hereof. Such Contracts will not be subject to any conditions except that (1) the Debentures to be purchased by the Underwriters shall have been purchased and (2) the purchase of the Debentures to be purchased by an institution shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such institution is subject. The Underwriters will not have any responsibility in respect of the validity or performance of such Contracts.

The principal amount of Debentures to be purchased by each Underwriter shall be reduced by Debentures agreed to be sold pursuant to such Contracts proportionately, except to the extent that any such sale has been directed and allocated to a particular Underwriter by a purchaser. The sum of the aggregate principal amount of Debentures to be purchased by Underwriters and the aggregate principal amount of Debentures to be purchased under such Contracts shall be $100,000,000. The Underwriters may allow a concession to dealers of .45% of the principal amount of Debentures for which Contracts, arranged through Dillon, Read & Co. Inc., are directed and allocated to such dealers.

No dealer, salesman or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company or the Underwriters. This Prospectus does not constitute an offer by the Company or by any Underwriter to sell securities in any state to any person to whom it is unlawful for the Company or such Underwriter to make such offer in such state.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof.

Anheuser-Busch Incorporated

7.95% Sinking Fund Debentures, due February 1, 1999

PROSPECTUS

Dillon, Read & Co. Inc.